



# Controller Betty T. Yee

## California State Controller's Office

### Unclaimed Property Division

2015 Summer Newsletter

Holder Newsletter

Volume 8, Issue 2

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## Tips for Completing the Holder Notice Report

The first report in California's two-step reporting process is the Holder Notice Report, due annually before November 1 (before May 1 for life insurance companies). This report includes a complete list of unclaimed properties currently reportable, but does not include actual remittance of the properties. To ensure your report is approved and to avoid potential interest assessments, verify the following when completing your Holder Notice Report.

### Reporting Properties

Holders may only remit properties that have remained unclaimed for the required dormancy period, a specified amount of time in which the property owner does not take action on the property. The dormancy period, also known as the escheat period, starts on the date of last transaction and varies depending on the property type. For a list of dormancy periods for the most frequently reported property types, view the [Dormancy Periods Table](#).

Depending on the property, the date of last transaction can be:

- The date of the last owner-initiated transaction or contact;
- In certain circumstances, the date the mail was returned (e.g., shares of stock); or
- The date on which the property became payable, redeemable, dormant, or returnable (e.g., issue date of check), whichever came first.

### Report "As of" Date

The "As of" date is used to determine when property becomes reportable and is required in Section A of the Universal Holder Face Sheet ([UFS-1](#)).

- The "As of" date can either be June 30 or the company's fiscal year-end date.
- The "As of" date is not the date the Holder Notice Report was due, created or submitted.

*(Continued on page 2)*



## Tips for Completing the Holder Notice Report (Continued)

- To determine if a property is due to be reported to California, add the number of dormancy years required to the property's last transaction date. If the date falls prior to your "As of" date, it is reportable. For assistance, refer to the "2015 Property Report Cycle" documents on the State Controller's [website](#).
- Do not complete a Holder Notice Report until the "As of" date is determined.

### Contact Information

It is important to note the difference between the contact information requested in Section B and Section C of the UFS-1.

In Section B, provide complete contact information for the person in the company responsible for completing the Holder Notice Report. This is who the State Controller's Office will contact with questions about the report. The report will be rejected if the holder does not provide this information. If the Holder Contact Information in Section B of the UFS-1 does not match the Holder Contact Information on the electronic file, the State Controller will use the information on the electronic file to contact the holder.

In Section C, provide complete contact information for the person in the company responsible for handling inquiries from property owners. The State Controller will print this contact information on due diligence notices sent to property owners. If this section is left blank, the contact information provided in Section B will be printed on notices to property owners. If the Owner Contact Information in Section B of the UFS-1 does not match the Owner Contact Information on the electronic file, the State Controller will use the information on the electronic file for both the due diligence letters and the public website listing.

### Committee on Uniform Securities Identification Procedures (CUSIP) Number

A CUSIP number is required for each security reported in the Holder Notice Report. The report could be rejected if a CUSIP number is missing or invalid ( e.g., 000000000 or 123456789). If a CUSIP number is missing, include a letter with the report explaining why the number cannot be provided.

### Reporting Less Than 10 Properties

Paper reports are acceptable for holders reporting less than 10 properties. A paper report must be submitted on the Annual Report of Unclaimed Personal Property Owner Detail Sheet ([UDS-1](#)). Holders are encouraged to submit a report in electronic format regardless of the number of properties reported. To submit a report in electronic format, use free unclaimed property reporting software on the National Association of Unclaimed Property Administrators [website](#). When selecting this option, copy the data to a disk and submit with your UFS-1 to the State Controller.

### Original Signature

An original signature is required on the UFS-1. The UFS-1 will be rejected if it does not include an original signature. The State Controller does not accept photocopies or stamps in lieu of a signature.

If you have additional questions, contact the Reporting Unit at (916) 464-6284 or [UCPReporting@sco.ca.gov](mailto:UCPReporting@sco.ca.gov).

## Safe Deposit Call-In Letter

Holders must maintain reported safe deposit box and safekeeping items until contacted by the State Controller with delivery instructions. If you reported safekeeping properties on the 2014 Holder Remit Report and have not yet received a Safe Deposit Call-In Letter, you can expect to receive one in July or August 2015. The holder has 30 days from receipt of the letter to remit properties to the State Controller. For further information, contact the Safe Deposit Unit at (916) 464-0951 or [UPDSafekeeping@sco.ca.gov](mailto:UPDSafekeeping@sco.ca.gov).



# Holder Reimbursement Requests

If a holder reimburses an owner or reinstates an owner's account for property in the State's possession, the State Controller will reimburse the holder. A reimbursement can be made only after the State Controller loads and reconciles the report to the remittance received.

A Holder's Claim for Reimbursement ([HCR-1](#)) is required. Instructions for completing the form are on page 2 of the form. To enable timely processing of a reimbursement request, keep the following requirements in mind.

## The Form

- If the HCR-1 is not signed by an officer of the company, a letter signed by an officer authorizing a representative of the company to claim on behalf of the company is required, including the officer's title and contact information. The letter must be currently dated, on holder letterhead, and contain the name of the individual(s) or third party authorized to claim on behalf of the holder.
- An HCR-1 for \$1,000.00 or greater or containing security property must be notarized.
- A separate HCR-1 must be submitted for each report year; however, several claims may be submitted under one authorization letter. To expedite processing, claim packages containing multiple report years should contain no more than 100 properties total. When more than 100 properties are being claimed for a single report year, all properties may be submitted on one claim.

## The Documentation

- Proof is required that payment was made to the owner or that the owner's account has been reinstated. For negotiable instruments, include proof that the instrument was presented to the holder and paid to the owner. For reinstated life insurance accounts, include proof that the owner consented to the reinstatement of the account.
- Before a holder reimburses a property owner, the holder should search for the property on the State Controller's website to ensure the Controller has not already returned the property to the owner. If the property appears on the State Controller's website, make a note of the property ID number and notify the Controller's Office at [CAHCR@sco.ca.gov](mailto:CAHCR@sco.ca.gov) to avoid a duplicate return of the property.
- A copy of the Universal Holder Face Sheet ([UFS-1](#)) from the original Holder Remit Report is required.
- Unless the property was reported in aggregate, a listing of the owner's name, account number, property description, and the State Controller's property ID number must be provided to facilitate processing.

Send all documents and questions regarding the claim process to [CAHCR@sco.ca.gov](mailto:CAHCR@sco.ca.gov) or the mailing address below. Contact us if you would like to explore submitting proof of payment by means other than paper.

California State Controller's Office  
Unclaimed Property Division  
Attn: Holder Reimbursements  
P.O. Box 942850  
Sacramento, CA 94250-5873

For requests for return of properties for reasons other than owner reimbursement or reinstated accounts, the HCR-1 may still be used; however, such requests require a full explanation. You may contact the Reporting Unit at (916) 464-6284 or [UCPReporting@sco.ca.gov](mailto:UCPReporting@sco.ca.gov).

# 1577 Interest Assessment Overview

Under California law, the assessment of interest is mandatory for failure to report, pay, or deliver unclaimed property on time, unless there is a showing of reasonable cause for the delay. Reasonable cause pertains to circumstances beyond the holder's control in the absence of willful neglect.

The California State Controller cannot waive interest for voluntary disclosure unless there is reasonable cause for the failure to report, pay, or deliver unclaimed property on time [[California Code of Civil Procedure \(CCP\) section 1577](#)]. Holders may file a Reporting Extension Request using [this form](#).

Timely reporting is determined by the type of property, the dormancy period, and the reporting year elected by the holder. See [page 1](#) of this newsletter for more information about dormancy periods.

If property is reported late, or "off-cycle," the Holder Remit Report and remittance due date is subject to change.

Here is an example using the 2015 report year:

One-Year Dormancy Period			
"As of" Date	Last Transaction Date	Notice Report Due	Remit Report & Remittance Due
June 30, 2015	July 1, 2013 – June 30, 2014	October 31, 2015	June 1-15, 2016
December 31, 2014	January 1 – December 31, 2013	October 31, 2015	June 1-15, 2016
Life Insurance Companies December 31, 2014	January 1 – December 31, 2013	May 1, 2015	December 1-15, 2015

Three-Year Dormancy Period			
"As of" Date	Last Transaction Date	Notice Report Due	Remit Report & Remittance Due
June 30, 2015	July 1, 2011 – June 30, 2012	October 31, 2015	June 1-15, 2016
December 31, 2014	January 1 – December 31, 2011	October 31, 2015	June 1-15, 2016
Life Insurance Companies December 31, 2014	January 1 – December 31, 2011	May 1, 2015	December 1-15, 2015

## Upcoming Events

### **August 13: CalCon Expo (Long Beach)**

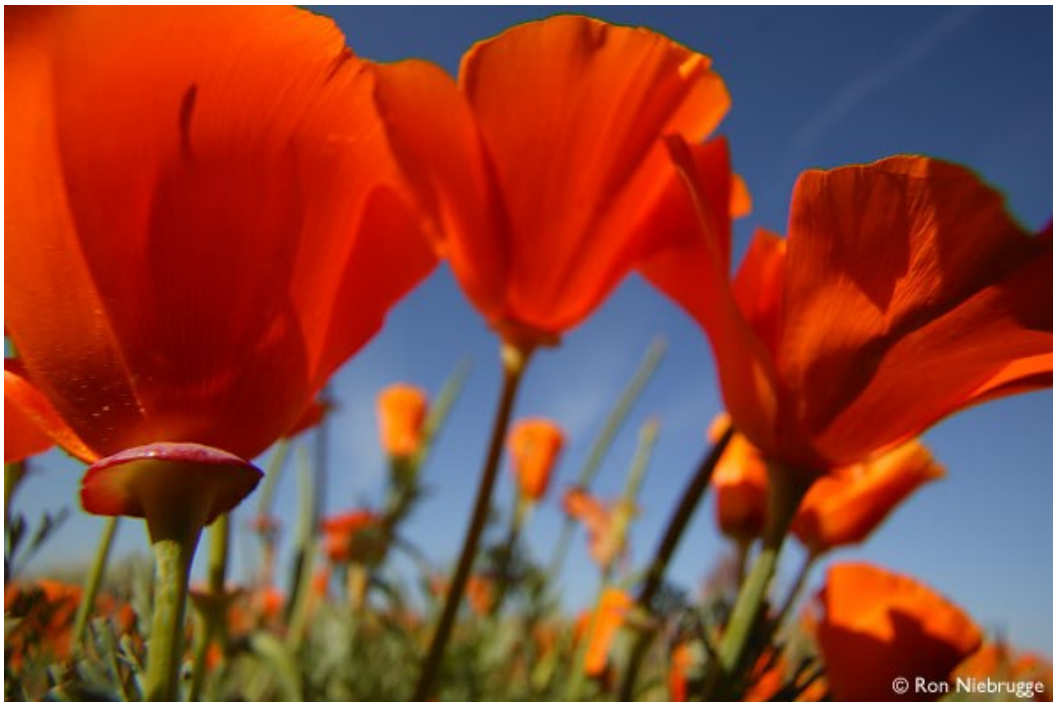
The 2015 California Construction (CalCon) Expo is designed for contractors, designers, construction professionals, suppliers, and construction workers. Representatives from the Outreach and Compliance Unit of the Unclaimed Property Division will be available to educate attendees on the Unclaimed Property Law and mandated reporting requirements. To view additional information about the CalCon Expo, click [here](#).

### **August 20: California Unclaimed Property Holders Seminar (Palo Alto)**

Hosted by Keane, this event is a free educational program highlighting current unclaimed property compliance and regulatory updates. A representative of the Outreach and Compliance Unit will attend as a guest speaker. To view additional information about this event, click [here](#).

The California State Controller's participation in these events is not an endorsement of the views, opinions, products, or services of any participants, person, or entity.

**To receive notifications about future workshops, seminars,  
and events, subscribe to our [email distribution list](#).**



# Post-Escheatment Owner Claim Inquiries

If an owner of property contacts you regarding property you have already turned over to the State of California, provide the following information so they may contact the State Controller to claim their property directly.

California Unclaimed Property Claims Call Center  
(800) 992-4647

Open 8:00 a.m. to 5:00 p.m., Monday through Friday  
(except [holidays](#))

You may also direct property owners to California's claims at [www.claimit.ca.gov](http://www.claimit.ca.gov).

## Important Deadlines

### June, July, August

Safekeeping remittance letters issued

### By November 1

Annual Holder Notice Reports due



Please send your newsletter comments,  
ideas, or concerns to:

[UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov)

## Contact Us

California State Controller's Office  
Unclaimed Property Division  
10600 White Rock Road, Suite 141  
Rancho Cordova, CA 95670  
[www.sco.ca.gov](http://www.sco.ca.gov)

Reporting Assistance (916) 464-6284

Claims Assistance (800) 992-4647  
(outside USA) (916) 323-2827  
[www.claimit.ca.gov](http://www.claimit.ca.gov)

1577 Interest Assessment Unit (916) 464-6092  
(for CA CCP §1577 inquiries) [1577Info@sco.ca.gov](mailto:1577Info@sco.ca.gov)

Outreach and Compliance Unit (916) 464-6088  
[UPDHolderOutreach@sco.ca.gov](mailto:UPDHolderOutreach@sco.ca.gov)

Securities Questions (916) 464-7123  
[UPDSecRecon@sco.ca.gov](mailto:UPDSecRecon@sco.ca.gov)

EFT Remittance Questions (916) 464-6220  
[UPDSOEFT@sco.ca.gov](mailto:UPDSOEFT@sco.ca.gov)